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12 MARVELL SEMICONDUCTOR, INC.

13 UNITED STATES DISTRICT COURT
14 NORTHERN DISTRICT OF CALIFORNIA
15 SAN FRANCISCO DIVISION

16 MARVELL SEMICONDUCTOR, INC.,

17 Plaintiff,

18 v.

19 WI-LAN, INC.,

20 Defendant.

CASE NO. C07-05626 SI

**MARVELL SEMICONDUCTOR,
INC.'S OPPOSITION TO WI-LAN,
INC.'S MOTION TO DISMISS
MARVELL SEMICONDUCTOR,
INC.'S SUIT FOR DECLARATORY
RELIEF**

**Hearing Date: June 20, 2008
Location: Courtroom 10, 19th Fl.
Time: 9:00 a.m.**

**[REDACTED VERSION FOR PUBLIC
VIEWING]**

1 **I. INTRODUCTION**

2 Marvell filed this action to obtain a declaration that its communications processor integrated
3 circuit family products do not infringe the Wi-LAN patents identified in its Complaint. Marvell took
4 this action, as explained in detail below, because Wi-LAN's statements that Wi-LAN believed
5 Marvell's products infringed its patents. Marvell sought, and still seeks, clarity that all of its
6 products do not infringe the Wi-LAN patents.

7 Defendant Wi-LAN, Inc. ("Wi-LAN") now admits in its Motion to Dismiss that Marvell
8 Semiconductor Inc.'s ("Marvell") PXA90x product family, the product which was the original focus
9 of the infringement charge from Wi-LAN, is not implicated by the Wi-LAN patents-in-suit. Motion
10 at p. 2 ("PXA90x chip set family [is] not implicated by its patents.") However, Marvell's Complaint
11 was not limited to that particular chip set, and Marvell intended to seek, via this litigation, a
12 declaration that none of its communication processor products, or future derivatives thereof,
13 infringe.

14 Wi-LAN, in particular, has not given Marvell assurances that it will not sue based on
15 communication processor products that Marvell has recently released, known as the Marvell Tavor
16 family of chipsets. Marvell has invested significant resources developing these products, and they
17 have been identified as the chipsets used in the latest generation of Research In Motion's Blackberry
18 PDA device, named Bold. Without an assurance from Wi-LAN that it will not allege that these
19 products infringe, Marvell will be in the uncomfortable position of continuing to market these and
20 other new products and risking an injunction and damages, or abandoning its plans to bring these
21 products to market. Neither alternative is a welcome or fair outcome for Marvell. Therefore,
22 Marvell respectfully requests that this Court deny Wi-LAN's Motion to Dismiss.

II. STATEMENT OF FACTS

A. Correspondence Between Marvell and Wi-LAN Puts Marvell Under a Dark Cloud of Infringement as to its Communications Processor Products, and Marvell Asks for Necessary Declarations from This Court To Lift this Cloud so that It Can Do Business

On or about December 15, 2006, Mr. William Middleton, Vice President, General Counsel & Secretary of Wi-LAN, sent an email to Mr. Matthew Gloss, Marvell's former General Counsel, identifying U.S. Patent No. RE37,802 ("the '802 patent"), U.S. Patent no. 6,192,068 ("The '068 patent"), and U.S. Patent No. 6,320,897 ("the '897 patent") (collectively, "the Wi-LAN patents") and asserting that the Wi-LAN patents covered Marvell's PXA90x communications processor integrated circuit family. Complaint, ¶ 11.

On or about December 21, 2006, Mr. Middleton reiterated in a letter to Mr. Gloss Wi-LAN's assertion that the manufacture and sale of a number of identified Marvell products infringed the Wi-LAN patents and the products "require a license" to these patents. Complaint, ¶ 12. Although Marvell asked in responsive correspondence for a more detailed explanation of the charges of infringement, no additional information was provided by Wi-LAN.

In response to a follow-up email from Barry Shelton, outside counsel for Marvell, which again asked for more information, Mr. Middleton replied on or about August 8, 2007, that Wi-LAN would provide additional information, including the requested infringement claim charts. However, Wi-LAN never provided any infringement charts to Marvell. Complaint, ¶ 13.

Instead, on October 31, 2007, Wi-LAN filed two complaints in the Eastern District of Texas, Marshall Division, (Civil Action Nos. 2-07CV-473 and 2-07CV-474, collectively "the Texas Actions"), each accusing Marvell of infringing the '802 patent and U.S. Patent No. 5,282, 222 ("the '222 patent") by "making, using, offering for sale, importing, and/or selling integrated circuit and/or circuit boards used and/or designed for use" in accused products manufactured by other defendants. The Complaints allege that Marvell, and a large number of other co-defendants, are infringing those patents by making and selling products compatible with a technical standard issued by the Institute of Electrical and Electronic Engineers (the IEEE) identified as 802.11.

1 The IEEE 802.11 standards bodies do not govern cellular telephone networks, but instead
 2 define completely different technical standards; namely, standards for local area networks that are
 3 used to interconnect computers or other communication devices. Accordingly, on November 5,
 4 2007, Marvell filed the present suit. Marvell seeks declarations from this Court that none of the
 5 communications processor integrated circuit family of products that were the subject of the
 6 aforementioned correspondence with Wi-LAN infringed the Wi-LAN patents, that those patents
 7 were invalid, and that they were unenforceable due to misuse. Marvell cited Wi-LAN's assertions
 8 that the Wi-LAN patents covered Marvell's communications processor integrated circuit family and
 9 Wi-LAN's demands that Marvell license the Wi-LAN patents as a basis for declaratory judgment
 10 jurisdiction.

11 **B. Great Investment has been Plowed Into the Marvell Release 5 Products, Some of**
 12 **Which are Currently Shipping and are Clearly Put at Risk by Wi-LAN**

13 Marvell designs and makes a wide variety of products to be used by customers in cellular
 14 telephone network products. Declaration of Shyam Krishnamurthy ("Krishnamurthy Declaration"),
 15 ¶ 3. For interoperability, the Marvell products adhere to international standards, such as those
 16 promulgated by the 3rd Generation Partnership Project (3GPP), a collaboration between groups of
 17 telecommunications associations that issues globally applicable third generation (3G) mobile phone
 18 system specifications within the scope of the International Mobile Telecommunications-2000 project
 19 of the International Telecommunication Union (ITU). *Id.* 3GPP specifications are based on evolved
 20 Global System for Mobile Communications (GSM) specifications. *Id.*

21 Versions of the 3GPP standard are called "Releases". Krishnamurthy Declaration, ¶ 4.
 22 Release 99 specified the first Universal Mobile Telecommunications System (UMTS) 3G networks,
 23 incorporating a Code Division Multiple Access (CDMA) air interface. *Id.* The standard was
 24 finalized and released in early 2000. *Id.*

25 Release 5 was released in early 2002. Krishnamurthy Declaration, ¶ 5. Release 5 builds on
 26 the architecture described in Release 99, and includes additional features, such as IP Multimedia
 27 Subsystem (IMS), an architectural framework for delivering internet protocol (IP) multimedia to
 28

1 mobile users and High-Speed Downlink Packet Access (HSDPA), which allows networks based on
2 Universal Mobile Telecommunications System (UMTS) to have higher data transfer speeds and
3 capacity from a network node, or cellular base station, to a mobile unit such as a user's cellular
4 phone. *Id.* For example, in products based on Release 99, the maximum data rate from a base
5 station to a mobile unit is 364 kilobits per second (kbps). *Id.* HSDPA deployments supports data
6 rates of 1.8, 3.6, 7.2 and 14.4 megabits per second (Mbps) from the base station to a mobile unit.
7 Further speed increases are planned for the near future. *Id.*

8 Marvell's PXA90x communications processor supports GSM, GPRS, and WCDMA mobile
9 standards, such as 3GPP. Krishnamurthy Declaration, ¶ 7. Marvell is currently selling products
10 based on Release 99. *Id.*

11 Marvell has designed and developed chipsets that comply with Release 5. Krishnamurthy
12 Declaration, ¶ 8. [REDACTED]

13 [REDACTED] Krishnamurthy Declaration, ¶ 10. [REDACTED]
14 [REDACTED]
15 [REDACTED] Krishnamurthy Declaration, ¶ 11.

16 The design of the Tavor family product is complete, and it is on the verge of mass production and
17 inclusion in various consumer end products. *Id.* Krishnamurthy Declaration, ¶ 8. As specified in
18 Release 5, these products will support HSDPA base station to mobile unit data rates greater than 364
19 kbs. *Id.*

20 [REDACTED]
21 [REDACTED] Krishnamurthy Declaration, ¶ 9. [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED] Krishnamurthy Declaration, ¶ 11.

C. Wi-LAN Has Not Granted Marvell a Covenant Not To Sue On Marvell's Non-infringing Release 5 Products

In the letter dated March 28, 2008, Wi-LAN covenants not to sue Marvell and its customers for patent infringement of any claim of the Wi-LAN patents "based on Marvell's PXA90x family of chipsets as it exists today or has existed in the past." *Declaration of Kevin L. Burgess*, Exhibit A (Dkt. No. 34-3). However, Wi-LAN has not given an equally broad covenant not to sue on Marvell Release 5 products which are either in, or about to enter, the market, such as the Tavor family of chipsets.

III. ARGUMENT

A. The Legal Standard this Court Should Follow is Clearly Set Forth by the Supreme Court in *Medimmune v. Genentech*

The Supreme Court recently re-examined Article III's case or controversy requirement as it relates to the Declaratory Judgment Act and held that a party need not expose itself to substantial financial penalty and loss of business before it is allowed to seek a declaration of its actively contested legal rights under Article III of the Constitution. In *Medimmune v. Genentech, Inc.*, 127 S. Ct. 764, 771 (2007), the Supreme Court confirmed that the "actual controversy" requirement of the Declaratory Judgment Act demands only "that the dispute be 'definite and concrete, touching the legal relations of parties having adverse legal interests'; and that it be 'real and substantial' and 'admit of specific relief through a decree of a conclusive character, as distinguished from an opinion advising what the law would be upon a hypothetical state of facts'." *Id.* (quoting *Aetna Life Ins. Co. v. Haworth*, 300 U.S. 227 (1937)) In other words, a party need only "show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment." *Id.* (quoting *Md. Cas. Co. v. Pac. Coal & Oil Co.*, 312 U.S. 270, 273 (1941)). As the Supreme Court noted, "the declaratory judgment procedure is an alternative to pursuit of the arguably illegal activity." *Id.* at 772. (quotation marks omitted).

Since the Supreme Court decided *Medimmune* in January 2007, the Federal Circuit has acknowledged that *Medimmune* "represents a rejection of [the Federal Circuit's] reasonable

1 apprehension of suit test.” *SanDisk Corp. v. STMicroelectronics, Inc.*, 480 F.3d 1372, 1380 (Fed.
2 Cir. 2007). In *SanDisk*, decided March 26, 2007, the Federal Circuit explained that:

3 Article III jurisdiction may be met where the patentee takes a position that puts the
4 declaratory judgment plaintiff in the position of either pursuing arguably illegal
5 behavior or abandoning that which he claims a right to do. ... We hold only that
6 where a patentee asserts rights under a patent based on certain identified ongoing
7 or planned activity of another party, and where the party contends that it has the
8 right to engage in the accused activity without a license, an Article III case or
controversy will arise and the party need not risk a suit for infringement by
engaging in the identified activity before seeking a declaration of its legal rights.”
(Emphasis added.)

9 *Id.* The court looked to the defendant's conduct in its totality, rather than focusing on whether the
10 conduct had created a reasonable apprehension of suit, to find that the lower court had improperly
11 dismissed the matter for lack of jurisdiction. *Id.* The court explained that SanDisk need not “‘bet
12 the farm,’ so to speak, and risk a suit for infringement by ... continuing the [allegedly infringing]
13 activity before seeking a declaration of its legal rights.” *Id.* at 1382.

14 Just this week, the Federal Circuit affirmed that declaratory judgment jurisdiction was proper
15 and a sufficient case or controversy existed with respect to an accused infringer’s “future products,”
16 even though the designs had not yet been commercially implemented. In *Cat Tech LLC v.*
17 *Tubemaster, Inc.*, 2007-1443 (Fed. Cir. May 28, 2008), the Federal Circuit found that the accused
18 infringer’s design was “substantially fixed” and sufficiently ready for market, thereby meeting the
19 “reality” requirement, even though its designs would need to be customized at each customer’s site,
20 and the accused infringer had made no disclosures to customers or potential customers and not
21 realized any sales. *Id.* at 17. Following the wisdom of *Medimmune*, the Court considered the
22 totality of the circumstances, determined that the controversy between the parties was actual and
23 justiciable, thereby preventing the accused infringer from having to make the “in terrorem choice”
24 between growing potential liability and ceasing development activity. *Id.* at 28.

25 The Federal Circuit has also recognized that the reasoning used in its earlier *Super Sack*
26 decision was no longer valid. In *Benitec Australia, Ltd. v. Nucleonics, Inc.*, 495 F.3d 1340, 1345-46
27 (Fed. Cir. 2007), decided by the Federal Circuit a few months after *Sandisk*, the court clarified that
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its holding in *Super Sack Mfg. Corp. v. Chase Packaging Corp.*, 57 F.3d 1054 (Fed. Cir. 1995) was based on the “old” law and that it had found Super Sack’s covenant not to sue Chase for infringement based on products “currently manufactured and sold by Chase,” to be sufficient to divest the court of jurisdiction, because Chase was not engaged in any “present activity” that placed it at risk of an infringement suit, and “Chase did not claim it was planning to make any new infringing product.” In *Benitec*, the court further indicated that it found the covenant in *Amana Refrigeration, Inc. v. Quadlux, Inc.*, 172 F.3d 852 (Fed. Cir. 1999)—which likewise did not include future products—also sufficient under the old standard because *Amana* had not articulated any “present activity” but rather only future activities at “some indefinite point in the future.” *Id.* The court noted that both *Amana* and *Super Sack* were decided under the “disapproved ‘reasonable apprehension of imminent suit’ test” and explicitly declined to follow them, choosing instead to base its decision strictly on the framework of *Medimmune*. *Id.* at 1346.

B. Marvell’s Present Activities to Develop, Market and Sell its Release 5 Products are Substantial, Definite and Concrete, and Not Covered by Wi-LAN’s Covenant Not to Sue

1. Marvell’s Release 5 Products Are Not Included in Wi-LAN’s Narrowly Tailored and Inadequate Covenant

The covenant not to sue provided by Wi-LAN does not fully resolve the substantial controversy between Wi-LAN and Marvell. The covenant not to sue is limited to the “PXA90x family of chipsets as it exists today or has existed in the past.” In other words, Wi-LAN’s covenant not to sue does not extend to any Marvell products that have been modified—even in slight, inconsequential ways—since March 28, 2008, or to any of the Tavor family of chipsets which Marvell has released since March 28, 2008, or will soon release.

Wi-LAN fashions its covenant not to sue after the covenant at issue before this court in *Crossbow Tech., Inc. v. YH Tech.*, No. C 03-4360 SI, 2007 U.S. Dist. LEXIS 65646, at *18 (N.D. Ca. Aug. 21, 2007) (“Crossbow Tech. II”) (Illston, J.), and then argues in a conclusory fashion that the outcome should be the same here. *Crossbow II* may be easily distinguished from the case at hand. In *Crossbow*, this court noted that the defendant only had “plans to engage in potentially

1 infringing activities because his career is in the general field of the '622 patent." *Id.* at 1121. The
 2 court noted that, like the defendant in *Benitec*, the defendant had not taken any concrete steps toward
 3 potentially infringing activities not covered by the covenant, and so therefore defendants claims were
 4 purely hypothetical and too fleeting on which to find declaratory judgment jurisdiction.

5 [REDACTED]
 6 [REDACTED] Krishnamurthy Declaration, ¶ 10. Without
 7 freedom to operate free of threat by the Wi-LAN patents, Marvell's activities may be a basis for Wi-
 8 LAN to continue to allege infringement, and thus try to interfere with its business. In addition to its
 9 products already on the market, Marvell and its customers also have other "future" products that are
 10 closer to market than those of the accused infringer in *Cat Tech*, which had not yet even disclosed its
 11 designed configurations to customers or potential customers. *Cat Tech*, slip op. at 17. By contrast,
 12 Marvell is currently working with its customers to bring these products to market and will do so
 13 shortly. Krishnamurthy Declaration, ¶ 9. It would be inefficient and make no sense to require that
 14 Marvell and its customers actually manufacture and sell products—and incur substantial cost to do
 15 so—before Marvell's claims were heard. *See Cat Tech*, 2007-1443 at 29 (citing *Wembley, Inc. v.*
 16 *Superba Cravats, Inc.*, 315 F.2d 87, 90 (2nd Cir. 1963) ("[I]t would be economically wasteful to
 17 require a plaintiff to embark on an actual program of manufacture, use or sale which may turn out to
 18 be [infringing]."). This controversy is already sufficiently "immediate" and "real" to support the
 19 continued jurisdiction of the Court over this matter.

20 **2. Marvell's Complaint Presents a Real Controversy Because its Investment**
 21 **in the Release 5 Products is At Substantial Risk to Marvell and to Its**
Customers Who Are Shipping or About to Ship

22 Marvell's Complaint, and the relief it sought there, were not limited to the PXA90x family of
 23 chipsets. Marvell sought a judgment that none of its products were implicated by the patents at
 24 issue. Complaint at Paragraphs A & B, Prayer For Relief. The design of these products is not
 25 fleeting or hypothetical, but based on the 3GPP standard Release 5, which has been fixed and
 26 publicly available for years.

1 Wi-LAN has not provided a covenant not to sue on Marvell products that comply with
 2 Release 5 of the 3GPP standard covering the Tavor family of chipsets. This puts Marvell in the
 3 uncomfortable position today of either proceeding ahead with its plans to bring the already-
 4 developed product to market and risk an injunction and further liability or financial risk or abandon
 5 its planned activities to bring a non-infringing product to market. As the *Sandisk and Cat Tech*
 6 courts recognized, Marvell should not have to make this choice, and this court should exercise its
 7 discretion to hear this dispute now.

8 Several key facts distinguish this case from *Benitec*. First, contrary to the Declaratory
 9 Judgment plaintiff in *Benitec*, Marvell has disputed products on the market now. Nucleonics was
 10 years away from delivering any potentially infringing product to the public. In declarations
 11 submitted to the court, Nucleonics stated only that it “wishes to expand” its efforts into the
 12 purportedly infringing subject matter. *Benitec*, 495 F.3d at 1348. Nucleonics had not yet filed a
 13 New Drug Application (“NDA”) which the court acknowledged would take years to get through the
 14 FDA. *Id.* at 1346.

15 Second, Nucleonics had not yet produced any definite offer which any customer would
 16 accept. *Id.* at 1348. By contrast, Marvell’s Release 5 chipsets are in the market, and will soon be
 17 included in consumer devices. Krishnamurthy Declaration, ¶ 8. [REDACTED]
 18 [REDACTED] *Id.*, ¶11. [REDACTED]
 19 [REDACTED] *Id.*

20 Third, Nucleonics had not offered any evidence that it has spent any money on developing
 21 the potentially infringing product; where [REDACTED]
 22 [REDACTED] *Id.*, ¶ 10.

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1 **IV. CONCLUSION**

2 Marvell has products that are not covered by the covenant not to sue provided by Wi-LAN,
3 including the Tavor family of products. Those products support the court's jurisdiction, because
4 they are at the core of a very real case and controversy between the parties. For these reasons, Wi-
5 LAN's motion to dismiss should be denied.

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7 Respectfully submitted,

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10 Dated: May 30, 2008

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